GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:549
ANSWERED ON:03.05.2002
INCREASE IN HANDLING COST OF FOODGRAINS
JAIBHAN SINGH PAWAIYA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the per quintal expenditure incurred by the Food Corporation of India on procurement,storage and transportation of foodgrains during the years 2000-2001, 2001-2002 and at present;

(b) whether the cost of transportation and storage of foodgrains is increasing constantly; and

(c) if so, the reasons therefor alongwith the steps being taken by the Union Government to check the same?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR)

(a),(b)&(c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b)&(c) OF STARRED QUESTION NO.549 DUE FOR ANSWER ON (2002 IN THE LOK SABHA.

(a): The expenditure incurred by FCI on acquisition and distribution of foodgrains which,inter alia, includes expenditure on procurement, storage and transportion, is as under:

(Rs per quintal)

	2000-01(RE)		2001-02(RE)		2002-03 (BE)	
	Wheat	Rice	Wheat	Rice	Wheat	Rice
Acquisition cost	703.61	995.50	739.13	1052.66	757.64	1072.69
Distribution cost	126.03	152.57	132.17	151.69	121.52	133.68

(b)&(c): The aggregate cost of transportion and storage of foodgrains is increasing due to inflationary impact and higher volumes of procurement necessitating higher transactional expenses.

The steps taken by FCI to control such costs include, inter alia, reduction in raildemurrage charges as well as in shortages in grain handling, better storage capacity utilization & reduction in administrative overheads.